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## **DEPARTMENT OF COMMERCE**

### **Foreign-Trade Zones Board**

**[B-66-2019]**

#### **Foreign-Trade Zone (FTZ) 122 – Corpus Christi, Texas; Notification of Proposed Production Activity; Cheniere Energy, Inc. (Liquified Natural Gas Processing), Portland, Texas**

The Port of Corpus Christi Authority, grantee of FTZ 122, submitted a notification of proposed production activity to the FTZ Board on behalf of Cheniere Energy, Inc. (Cheniere), located in Portland, Texas. The notification conforming to the requirements of the regulations of the FTZ Board (15 CFR 400.22) was received on October 16, 2019.

The applicant has submitted a separate application for FTZ designation at the Cheniere facility under FTZ 122. The facility will be used for liquified natural gas processing. Pursuant to 15 CFR 400.14(b), FTZ activity would be limited to the specific foreign-status material and specific finished products described in the submitted notification (as described below) and subsequently authorized by the FTZ Board.

Production under FTZ procedures could exempt Cheniere from customs duty payments on the foreign-status gaseous natural gas (duty-free) used in export production. On its domestic sales, for the foreign-status gaseous natural gas, Cheniere would be able to choose the duty rates during customs entry procedures that apply to liquified natural gas and stabilized gas condensate (duty rates are duty-free and 10.5 cents/barrel, respectively). Cheniere would be able to avoid duty on the foreign-status

material which become scrap/waste. Customs duties also could possibly be deferred or reduced on foreign-status production equipment.

The request indicates that gaseous natural gas is subject to special duties under Section 301 of the Trade Act of 1974 (Section 301), depending on the country of origin. The applicable Section 301 decisions require subject merchandise to be admitted to FTZs in privileged foreign status (19 CFR 146.41).

Public comment is invited from interested parties. Submissions shall be addressed to the Board's Executive Secretary and sent to: [ftz@trade.gov](mailto:ftz@trade.gov). The closing period for their receipt is **[INSERT DATE 40 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

A copy of the notification will be available for public inspection in the "Reading Room" section of the Board's website, which is accessible via [www.trade.gov/ftz](http://www.trade.gov/ftz).

For further information, contact Diane Finver at [Diane.Finver@trade.gov](mailto:Diane.Finver@trade.gov) or (202) 482-1367.

Dated: October 22, 2019.

**Andrew McGilvray,**

*Executive Secretary.*

[FR Doc. 2019-23605 Filed: 10/28/2019 8:45 am; Publication Date: 10/29/2019]